

SENATE BILL No. 199

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33-12-6.

Synopsis: Riverboat admission taxes. Provides that the part of the riverboat admissions tax that is distributed to racetracks must be evenly divided among each racetrack.

Effective: July 1, 2004.

Server, Jackman

January 8, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 199

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.92-2003,
2 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2004]: Sec. 6. (a) The department shall place in the state
4 general fund the tax revenue collected under this chapter.

5 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
6 the treasurer of state shall quarterly pay the following amounts:

7 (1) Except as provided in subsection (k), one dollar (\$1) of the
8 admissions tax collected by the licensed owner for each person
9 embarking on a gambling excursion during the quarter or
10 admitted to a riverboat that has implemented flexible scheduling
11 under IC 4-33-6-21 during the quarter shall be paid to:

12 (A) the city in which the riverboat is docked, if the city:

13 (i) is located in a county having a population of more than
14 one hundred ten thousand (110,000) but less than one
15 hundred fifteen thousand (115,000); or

16 (ii) is contiguous to the Ohio River and is the largest city in
17 the county; and



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1 (B) the county in which the riverboat is docked, if the
 2 riverboat is not docked in a city described in clause (A).
 3 (2) Except as provided in subsection (k), one dollar (\$1) of the
 4 admissions tax collected by the licensed owner for each person:
 5 (A) embarking on a gambling excursion during the quarter; or
 6 (B) admitted to a riverboat during the quarter that has
 7 implemented flexible scheduling under IC 4-33-6-21;
 8 shall be paid to the county in which the riverboat is docked. In the
 9 case of a county described in subdivision (1)(B), this one dollar
 10 (\$1) is in addition to the one dollar (\$1) received under
 11 subdivision (1)(B).
 12 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 13 admissions tax collected by the licensed owner for each person:
 14 (A) embarking on a gambling excursion during the quarter; or
 15 (B) admitted to a riverboat during the quarter that has
 16 implemented flexible scheduling under IC 4-33-6-21;
 17 shall be paid to the county convention and visitors bureau or
 18 promotion fund for the county in which the riverboat is docked.
 19 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 20 the admissions tax collected by the licensed owner for each
 21 person:
 22 (A) embarking on a gambling excursion during the quarter; or
 23 (B) admitted to a riverboat during a quarter that has
 24 implemented flexible scheduling under IC 4-33-6-21;
 25 shall be paid to the state fair commission, for use in any activity
 26 that the commission is authorized to carry out under IC 15-1.5-3.
 27 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 28 admissions tax collected by the licensed owner for each person:
 29 (A) embarking on a gambling excursion during the quarter; or
 30 (B) admitted to a riverboat during the quarter that has
 31 implemented flexible scheduling under IC 4-33-6-21;
 32 shall be paid to the division of mental health and addiction. The
 33 division shall allocate at least twenty-five percent (25%) of the
 34 funds derived from the admissions tax to the prevention and
 35 treatment of compulsive gambling.
 36 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 37 of the admissions tax collected by the licensed owner for each
 38 person embarking on a gambling excursion during the quarter or
 39 admitted to a riverboat during the quarter that has implemented
 40 flexible scheduling under IC 4-33-6-21 shall be paid to the
 41 Indiana horse racing commission to be distributed as follows, in
 42 amounts determined by the Indiana horse racing commission, for

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the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To ~~a~~ **each** racetrack that was approved by the Indiana horse racing commission under IC 4-31, **in equal amounts**.

The commission may make a grant under this clause only for purses, promotions, and routine operations of ~~the~~ **each** racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before ~~the~~ **a** racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal

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body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to be used by the department for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

- (A) Job creation and retention.
- (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (C) Housing.
- (D) Workforce training.

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(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the department.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

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shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To ~~a~~ **each** racetrack that was approved by the Indiana horse racing commission under IC 4-31, **in equal amounts**.

The commission may make a grant under this clause only for purses, promotions, and routine operations of ~~the~~ **each** racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before ~~the~~ **a** racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or

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(d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in

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1 subsection (d)(4). The treasurer of state shall certify the base year
 2 revenue determined under this subsection to each entity subject to this
 3 subsection.

4 (j) This subsection does not apply to an entity receiving money
 5 under subsection (c). For state fiscal years beginning after June 30,
 6 2002, the total amount of money distributed to an entity under this
 7 section during a state fiscal year may not exceed the entity's base year
 8 revenue as determined under subsection (h) or (i). If the treasurer of
 9 state determines that the total amount of money distributed to an entity
 10 under this section during a state fiscal year is less than the entity's base
 11 year revenue, the treasurer of state shall make a supplemental
 12 distribution to the entity under IC 4-33-13-5(g).

13 (k) This subsection does not apply to an entity receiving money
 14 under subsection (c). For state fiscal years beginning after June 30,
 15 2002, the treasurer of state shall pay that part of the riverboat
 16 admissions taxes that:

- 17 (1) exceed a particular entity's base year revenue; and
 18 (2) would otherwise be due to the entity under this section;
 19 to the property tax replacement fund instead of to the entity.

20 **SECTION 2. [EFFECTIVE JULY 1, 2004] IC 4-33-12-6, as**
 21 **amended by this act, applies to riverboat admissions taxes paid to**
 22 **the Indiana horse racing commission after June 30, 2004.**

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